

Message Text

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11

ACTION AF-06

INFO OCT-01 ARA-06 EUR-12 EA-07 NEA-10 ISO-00 FEA-01

ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00

EB-07 FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05

OMB-01 PM-04 USIA-06 SAM-01 OES-03 SP-02 SS-15 STR-04

TRSE-00 /121 W

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R 261620Z NOV 75

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 2175

INFO AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

AMEMBASSY BEIRUT

AMCONSUL DHAHRAN

AMEMBASSY DOHA

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

471.2/AMEMBASSY KUWAIT 119

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

AMEMBASSY QUITO

AMEMBASSY TEHRAN

AMEMBASSY THE HAGUE

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

USMISSION OECD PARIS

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E.O. 11652: N/A

TAGS: ENRG, NI

SUBJECT: OCTOBER CRUDE OIL PRODUCTION STATISTICS

REF: LAGOS 10733

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1. PRODUCTION IN OCTOBER 1975 WAS SLIGHTLY LOWER THAN IN SEPTEMBER. HOWEVER, CRUDE EXPORTS WERE DOWN SHARPLY. SEPTEMBER EXPORTS, THE HIGHEST THIS YEAR, WERE SWOLLEN IN ANTICIPATION OF PRICE HIKE. PRODUCTION IN OCTOBER PROBABLY WAS KEPT HIGH PRIMARILY TO REPLENISH INVENTORIES DRAWN DOWN BY HEAVY SEPTEMBER OFFTAKE, AND CANNOT BE TAKEN AS VALID INDICATOR THAT DEMAND FOR NIGERIAN CRUDE IS STRONG ENOUGH TO KEEP PRODUCTION THAT HIGH. INDUSTRY SOURCES AGREE IT IS LIKELY THAT NOVEMBER PRODUCTION WILL SHOW A DROP BACK TO ABOUT 1.75 TO 1.8 MILLION BARRELS PER DAY.

2. FOLLOWING TABLE SHOWS PROVISIONAL PRODUCTION RATES IN BARRELS PER DAY FOR ALL COMPANIES IN OCTOBER AND FINAL FIGURES FOR AUGUST FOR ALL COMPANIES.

	SEPTEMBER	OCTOBER	PERCENT CHANGE
SHELL-BP	1,183,558	1,176,359	-0.06
GULF	261,867	263,639	0.07 PLUS
MOBIL	220,283	220,151	---
AGIP/PHILLIPS	153,717	146,862	-4.5
ELF	79,422	75,041	-5.5
TEXACO/CHEVRON	9,210	14,394	56.3 PLUS
NNOC/ASHLAND	11,737	12,889	9.8 PLUS
TOTAL	1,919,794	1,909,335	-0.05

3. CRUDE EXPORTS AVERAGED 1,713,950 B/D IN OCTOBER, DOWN 13.7 PERCENT. DELIVERIES TO THE REFINERY AVERAGED 57,984 B/D.

4. TEXACO INCREASED PRODUCTION SHARPLY. THE COMPANY EXPECTS TO BE PRODUCING 20,000 B/D BY THE END OF THE YEAR AND TO REACH 50,000 B/D NEXT YEAR.

5. DRILLING RIGS IN OPERATION HIT A LOW FOR THE YEAR OF 18. THIS COMPARES WITH 26 IN OPERATION IN OCTOBER 1974, AND A HIGH OF 27 IN JANUARY 1975. RIGS IN OPERATION HAVE DECLINED GRADUALLY AND STEADILY ALL YEAR. MOST HAVE BEEN TAKEN OUT OF THE COUNTRY. INDUSTRY SOURCES POINT TO THIS AS A SIGN THAT, WHILE NIGERIAN CRUDE MAY BE HIGHLY MARKETABLE RIGHT NOW, THE MARGIN PER BARREL EARNED BY THE PRODUCING COMPANIES IS TOO LOW, WHEN COMPARED WITH INFLATED CAPITAL COSTS, TO JUSTIFY ANY LARGE NEW INVESTMENTS IN DRILLING.

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